

AMENDED IN SENATE MAY 13, 2009

AMENDED IN SENATE APRIL 27, 2009

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**SENATE BILL**

**No. 295**

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**Introduced by Senator Dutton**

**(Coauthors: Senators Cox, *Huff*, and Runner)**

(Coauthors: Assembly Members Bill Berryhill, DeVore, Fuller, Hagman,  
Jeffries, Niello, and Silva)

February 25, 2009

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An act to add Section 38561.5 to the Health and Safety Code, relating to air pollution, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 295, as amended, Dutton. California Global Warming Solutions Act of 2006.

The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt regulations to require the reporting and verification of emissions of greenhouse gases and to monitor and enforce compliance with the reporting and verification program, and requires the state board to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions. The state board is required to evaluate the total potential costs and total potential economic and noneconomic benefits of the plan. The state board is required by January 1, 2011, to adopt greenhouse gas emissions

limits and emission reduction measures by regulation to achieve the prescribed emission reductions.

This bill would require the state board to complete a study to reevaluate the evaluation of costs discussed above, and provide this study to the Legislature by October 1, 2009. The state board would be required to report to the Legislature by November 1, 2009, on whether the revised analysis has led, or will lead, to any changes to the scoping plan, and whether any changes should be made to the act's timelines. The bill would require the Legislative Analyst to review the state board's implementation of these requirements, as provided.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 38561.5 is added to the Health and Safety
- 2 Code, to read:
- 3 38561.5. (a)
- 4 (1) The state board shall complete an additional peer-reviewed
- 5 study to reevaluate the evaluations made pursuant to subdivision
- 6 (d) of Section 38561 that takes into consideration any
- 7 peer-reviewed comments on the original evaluations. This
- 8 additional study shall include all of the following:
- 9 (A) Estimates of the actual costs in every year, and for every
- 10 sector of the economy, of the recommendations identified in the
- 11 scoping plan adopted pursuant to Section 38561, and shall not
- 12 include only annual averaged costs.
- 13 (B) Estimates of overall costs and savings and the
- 14 cost-effectiveness of the reductions identified in the scoping plan
- 15 adopted pursuant to Section 38561, including appropriate inclusion
- 16 of reductions in copollutants.
- 17 (C) Estimates of the timing of capital investments, annual
- 18 expenditures to repay those investments, and the resulting cost
- 19 savings.
- 20 (D) Sensitivity of the results to changes in key inputs, including
- 21 energy price forecasts and estimates of measure costs and savings.
- 22 (E) Impacts on small businesses.
- 23 (F) The current state of the California economy.

1 (G) The impact, if any, of increased federal funding for green  
2 technology as a result of the American Recovery and Reinvestment  
3 Act of 2009 (Public Law 111-5).

4 ~~(H) An explanation of how each measure in the scoping plan is~~  
5 ~~considered to be cost effective.~~

6 *(H) In order to identify the most cost-effective mix of measures,*  
7 *estimates of the greenhouse gas emissions reductions and*  
8 *annualized costs and savings that would result if the greenhouse*  
9 *gas emission targets were raised and lowered for at least the five*  
10 *measures in the scoping plan adopted pursuant to Section 38561*  
11 *to which the scoping plan assigns the highest target amount of*  
12 *greenhouse gas emission reductions. These estimates shall include,*  
13 *but not be limited to, the estimates that would result from changing*  
14 *the greenhouse gas emission reduction targets for a measure by*  
15 *10 percent, 20 percent, and 30 percent above and below the targets*  
16 *in the scoping plan.*

17 (2) The state board shall provide the study required by this  
18 subdivision to the Legislature by October 1, 2009.

19 (b) The state board shall report to the Legislature by November  
20 1, 2009, on whether the analysis made pursuant to subdivision (a)  
21 has led, or will lead, to changes to the scoping plan adopted  
22 pursuant to Section 38561, including, but not limited to, changes  
23 in the mix of measures identified in that plan. The state board shall  
24 also include in the report recommended changes to the timelines  
25 included in this division, if the analysis made pursuant to  
26 subdivision (a) makes changes to the timelines advisable or  
27 necessary. This section does not authorize the state board to adjust  
28 any timelines included in this division.

29 (c) (1) The Legislative Analyst shall review the study required  
30 by subdivision (a) and the report required by subdivision (b), and  
31 report to the Legislature by December 1, 2009, on all of the  
32 following:

33 (A) To the extent possible, a critique of the adequacy of the  
34 analysis of economic impacts in support of measures proposed in  
35 the scoping plan and the reasonableness of the conclusions drawn  
36 from that analysis.

37 (B) Identify measures proposed in the scoping plan that lack a  
38 supporting economic impact analysis.

39 (C) Evaluate whether the state board has complied with the  
40 requirements of this section.

1 (2) The Legislative Analyst may provide any analysis or  
2 information in addition to what is required by paragraph (1).

3 (3) The state board shall provide to the Legislative Analyst the  
4 information necessary to complete the requirements of this  
5 subdivision in the timeframe provided in this subdivision.

6 SEC. 2. This act is an urgency statute necessary for the  
7 immediate preservation of the public peace, health, or safety within  
8 the meaning of Article IV of the Constitution and shall go into  
9 immediate effect. The facts constituting the necessity are:

10 In order to ensure that the adoption of greenhouse gas emission  
11 reduction regulations does not negatively impact the state's  
12 economy, it is necessary that this act take effect immediately.